



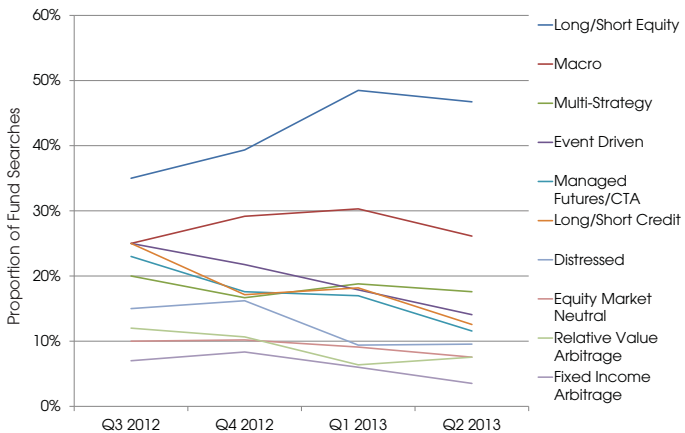
This report is an excerpt from: **Quarterly Update: Hedge Funds, Q2 2013**. To download the full report please visit:
https://www.preqin.com/docs/quarterly/hf/Preqin_Quarterly_Hedge_Funds_Update_Q2_2013.pdf

Institutional Investor Hedge Fund Searches

Long/short equity continues to be the most commonly sought strategy by institutional investors in hedge funds. The long/short sector has been boosted by positive performance in 2013 and 47% of investor searches in Q2 2013 include a long/short equity component (Fig. 1). Interest in event driven, managed futures/CTA and long/short credit strategies has decreased, with all three strategies showing a five percentage point reduction from Q1 in their Q2 proportions (Fig. 2).

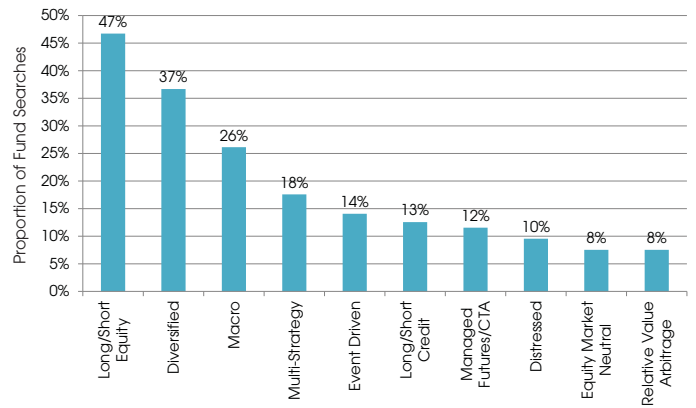
Interest in funds of hedge funds has declined in the second quarter with less than a third (29%) of all investors targeting new investments in the multi-manager space (Fig. 3). Interest in UCITS-compliant hedge funds has also slowed, representing 9% of searches in Q2 compared with 14% in Q1; however, demand for direct managed accounts has increased, up from 17% in Q1 to 20% in Q2. Fund of hedge funds managers have been the most active in seeking new investments, representing almost half (49%) of all searches in Q2, while the proportional breakdown of other institutional investor groups has remained similar to searches initiated in Q1 (Fig. 4).

Fig. 2: Changing Investor Appetite for Top 10 Strategies Sought, Q3 2012 - Q2 2013



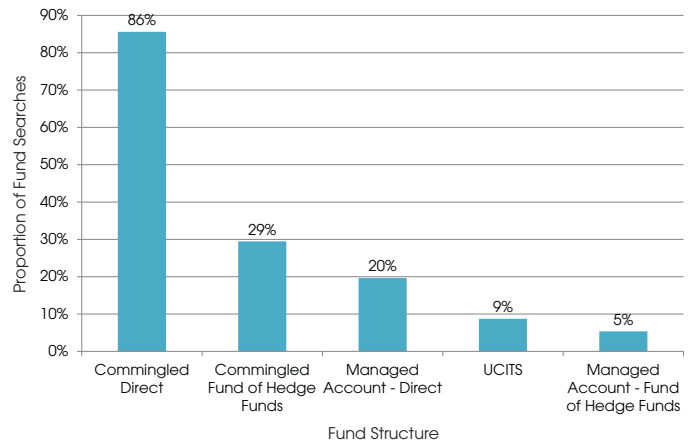
Source: Preqin Hedge Fund Investor Profiles

Fig. 1: Hedge Fund Strategies Sought by Investors over the Next 12 Months



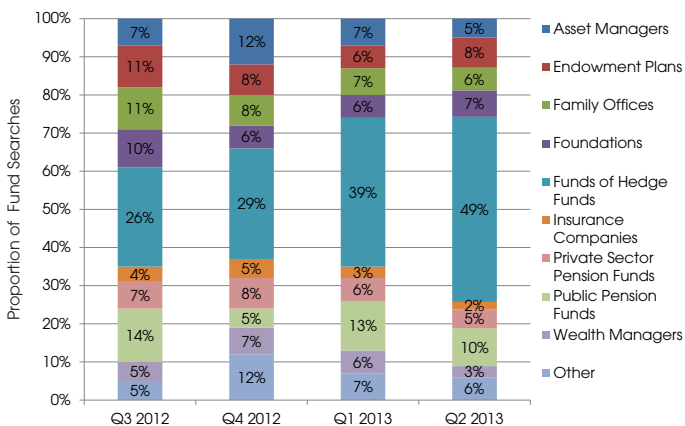
Source: Preqin Hedge Fund Investor Profiles

Fig. 3: Hedge Fund Structures Sought by Investors over the Next 12 Months



Source: Preqin Hedge Fund Investor Profiles

Fig. 4: Breakdown of Fund Searches Initiated by Investor Type, Q3 2012 - Q2 2013



Source: Preqin Hedge Fund Investor Profiles

Preqin's **Hedge Fund Investor Profiles** contains detailed information for over 4,200 active hedge fund investors worldwide and features key information on investors' preferences, key contact details, plans for the next 12 months, and more.

The **Future Fund Searches and Mandates** feature is the perfect tool to pinpoint those institutions that are seeking new hedge funds for investment now. Search for potential new investors by their current investment searches and mandates, including fund structure, fund strategy and regional preferences.

For more information, or to register for a demonstration, please visit:

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